

Area housing market shows signs of rebound

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(Jaclyn Borowski/For The Washington Examiner)

The Washington-area housing market appears poised for a big comeback.

Sales and prices for both new and existing houses were up during the first three months of 2010, according to a report released Tuesday by the Metropolitan Regional Information Systems, a group that tracks quarterly real estate statistics.

"Oh yes, everybody's been buying," said Pauline Thompson, president of Tysons Realty in Fairfax County.

"The houses between \$300,000 and \$600,000 are getting multiple offers, and that's the first time in three years that we've seen multiple offers," Thompson said.

Also encouraging: The six-month demand for houses outpaced supply for the first time since 2005, according to the MRIS report.

Looking up

Year-over-year changes in D.C.'s housing market

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Statistic	First quarter 2009	First quarter 2010	Change
Average sales price	\$341,169	\$357,983	+4.9%
Houses sold	10,281	11,224	+9.2%

Days on market	110	71	-35.5%
Final sales price vs. list	89.9 percent of list	93.8 percent of list	+4.3%

Source: Metropolitan Regional Information Systems and Delta Associates quarterly report

During the housing peak of the mid-2000s, the supply typically met just three months of buyer demand, said Margaret O'Sullivan, vice president of operations at MRIS. But that "seller's market" reversed itself after the housing bubble burst.

During the housing crisis, from late 2006 through much of 2009, the supply rate ballooned about 50 percent above six-month buyer demand, driving down home prices.

Now the housing market appears to be trending toward supply-demand equilibrium.

"It's moving closer and closer to balanced, and that's a function of more people feeling confident in the market," said Alexander Paul, national research director for Delta Associates, the consulting firm that assisted MRIS with its report.

The average Washington-area home cost about \$358,000 during the first three months of 2010, according to the MRIS report. That figure doesn't match the bubble prices, but it's up roughly 5 percent from a year ago.

"Things are looking up, absolutely," said Yvette Chisholm of Long and Foster Real Estate in Rockville. "We're very optimistic about trends in the market."

The volume of home sales also rose more than 9 percent during the first quarter of 2010. And the number of days the average house sat on the market fell by 35 percent from an average of 110 days to just 71.

"At those levels of improvement, we can feel confident that there's a real increase in demand," Paul said.

Many of the areas hit hardest by foreclosures have experienced the largest uptick in home prices.

Home prices in Loudoun, Prince William and Frederick counties rose more than 19 percent from March 2009 to March 2010, according to the MRIS report.

All those numbers point to a local housing market that should blossom during the traditionally busy spring and summer. And with Washington's unemployment rates and job creation projections besting national averages, experts said the Washington housing market should continue to improve.

"People should expect there to be some bumps in the road," Paul said. "But we're definitely in a recovery phase."

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